

State Agencies - Retention Plan

Retention Rating Plan

7/1/01 to 7/1/02

| | | | |
|-----------------------------|-----------------|------------------------|--------|
| Estimated Annual Premium | \$7,049,188.00 | Evaluation - 42 Months | |
| Max Premium Factor: | 1.00 | | |
| Estimated Retention Factor | 0.517 | | |
| Loss Conversion Factor: | 1.165 | | |
| Loss Development Factor: | 1 | Loss Ratio: | Payout |
| Losses as of 12/31/01 | \$ 2,686,102.00 | 38% | \$0.00 |
| Expected Losses @ 42 months | \$ 5,639,350.00 | 80% | \$0.00 |

| Loss Ratio | Total Losses | Converted Losses | Basic Premium | Estimated Retro Return |
|------------|----------------|------------------|----------------|------------------------|
| 0.00% | \$0.00 | \$0.00 | \$3,644,430.20 | \$3,404,757.80 |
| 5.00% | \$352,459.40 | \$410,615.20 | \$3,644,430.20 | \$2,994,142.60 |
| 10.00% | \$704,918.80 | \$821,230.40 | \$3,644,430.20 | \$2,583,527.40 |
| 15.00% | \$1,057,378.20 | \$1,231,845.60 | \$3,644,430.20 | \$2,172,912.20 |
| 20.00% | \$1,409,837.60 | \$1,642,460.80 | \$3,644,430.20 | \$1,762,297.00 |
| 25.00% | \$1,762,297.00 | \$2,053,076.01 | \$3,644,430.20 | \$1,351,681.80 |
| 30.00% | \$2,114,756.40 | \$2,463,691.21 | \$3,644,430.20 | \$941,066.60 |
| 41.46% | \$2,922,538.89 | \$3,404,757.80 | \$3,644,430.20 | \$0.00 |
| 35.00% | \$2,467,215.80 | \$2,874,306.41 | \$3,644,430.20 | \$0.00 |
| 40.00% | \$2,819,675.20 | \$3,284,921.61 | \$3,644,430.20 | \$0.00 |
| 45.00% | \$3,172,134.60 | \$3,695,536.81 | \$3,644,430.20 | \$0.00 |

